Why Wall Street Reform is Right for South Dakota

By Rep. Stephanie Herseth Sandlin

Recently, the U.S. House of Representatives passed the Wall Street Reform and Consumer Protection Act. I was proud to support this bill, which will help protect South Dakota taxpayers. I'm hopeful that the Senate will soon pass the bill as well, and send it to the President to be signed into law.

This legislation is a critically important part of a nearly two-year response to a financial crisis that shook our economy to the core. South Dakota families and businesses have so much at stake in how we respond to the financial crisis, and that's why I have consistently voted in line with our state's priorities.

For example, in late-2008 and early 2009, Congress approved several versions of what was called the Troubled Asset Relief Program, more commonly known as the Wall Street Bailout. I opposed the bill under both the Bush and Obama administrations because I didn't think it was the right policy for South Dakota or our country. I thought it was a hasty and overly-expensive response to a problem we didn't yet fully understand, and I didn't agree with throwing hundreds of billions of taxpayer dollars at the very companies who had recklessly and irresponsibly contributed to the financial collapse in the first place.

I believed then, as I do now, that it simply wasn't right to make South Dakota taxpayers foot the bill to bail out Wall Street when we didn't cause the mess in the first place.

But what we can do is put in place the kind of tough new rules to make sure we're protected in the future. And that's why it's so important to pass the Wall Street Reform and Consumer Protection Act, which cracks down on the abuses, bad practices, and dangerous risk-taking that caused the meltdown. It makes common sense reforms that will ensure that Wall Street is forced to start playing by the rules. It will help end bailouts by ensuring that taxpayers aren't the ones on the hook when someone on Wall Street makes a bad choice, or takes too large a risk. It includes tough enforcement and oversight, and shines a light on a financial sector long overdue for some transparency and accountability.

I disagree with those who oppose this bill, or say we shouldn't do more to protect thousands of South Dakota families and small businesses by helping to make sure that financial products are fair and understandable. Or those who say it's somehow not important to ensure consumers get clear, accurate information about mortgages, credit cards, and other financial products to protect them from hidden fees, abusive terms, and deceptive practices. Or those who say we shouldn't ensure a transparent marketplace and hold speculators accountable - particularly when it comes to the derivatives market, which is used by many of our agriculture producers to hedge risk. I disagree with all of these claims, because I think we need to stand up against the entrenched special interests, and stand up for what's right for our state.

After all, South Dakotans didn't cause the near-collapse of the economy but we sure paid a price for it. We paid the price in footing the bill for the bailout. We paid the price in a severe economic recession, we saw retirement accounts diminish and jobs vanish. We paid the price in more limited access to credit. Even though South Dakota kept to its values of fiscal responsibility, we're not completely immune to national trends – and that's why I'm proud I used South Dakota's vote in Congress to vote against the bailouts, but in favor of tough reforms that protect our state.

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